










## RISKS & MITIGATION

In the dynamically changing external environment, we keep a close eye on evolving risks to which our business may be exposed. We have identified the key risks that may impact our business and have a well-formulated risk mitigation strategy for its effective management.

Risks	Mitigation	Risk Class	Key Capitals Impacted
 <p><b>External Macro Risk</b></p> <p>High inflation in a stressed geopolitical environment, demand-supply disruptions, technological transformations and changing customer preferences can catalyse the need to relook organisational strategy.</p>	<ul style="list-style-type: none"> <li>Strong brand reputation with regular investments in brand building and strengthening of the marketing franchise</li> <li>Hiring specialised manpower in niche areas such as AI, intelligent automation, marketing, distribution etc.</li> <li>Continual exploration of new mining related digital solutions, integrated databases and systems for informed and agile decision-making</li> </ul> <p><i>(Read more on External Environment and Digitalisation sections on Pages 64 and 28)</i></p>	   	
 <p><b>Regulatory Risks</b></p> <p>Changes in the local/ regional political, legal, and environmental regulatory framework may impact our operations. Failure to comply with regulatory requirements can affect our reputation besides leading to stiff penalties.</p>	<ul style="list-style-type: none"> <li>Constant monitoring of the regulatory framework</li> <li>Zero tolerance to non-compliance</li> <li>Strong awareness mechanisms to keep workforce aligned with regulations</li> <li>Robust team of professionally qualified experts oversees and ensures legal compliance</li> <li>In-built systems of checks and balances to monitor compliance through technology</li> <li>Proactive engagement with all government functionaries to ensure the Company's views and industry's suggestions are heard before formulation of policies that impact the mining industry and business, particularly for zinc</li> </ul> <p><i>(Read more on External Environment on Page 64)</i></p>	  	









Risk with medium probability and medium negative impact on financials



Risk with low probability and medium impact on financials or high probability, but negligible impact on financials



Risk with high probability and high negative impact on financials

Risks	Mitigation	Risk Class	Key Capitals Impacted
 <p><b>Climate Change / Sustainability Risks</b></p> <p>Climate change events can lead to non-availability of, or inadequate natural resources, which are essential for our business continuity.</p>	<ul style="list-style-type: none"> <li>Adherence to Sustainability Goals 2025 and Science Based Targets (SBTi) with Board level oversight to ensure alignment of renewable energy portfolio and decarbonisation with Sustainability</li> <li>Review of climate change vulnerability risk assessment</li> <li>Well-defined processes to monitor and control pollution, dust suppression, vibrations, effluent discharge and waste management</li> <li>Committed to judicious use of natural resources and focussed investment and innovation in clean technologies</li> <li>Maintain several water sources in conjunction with government, sustainable water source ensured through network of Sewage Treatment Plants (STPs) in Udaipur</li> <li>Plan to set up Dry Tailing Plants at all mining sites, strengthen wastewater recycling system</li> <li>Investment in renewable power sources while maintaining self-sufficiency through coal-based captive power generation</li> <li>Work towards zero waste to secured landfill, elimination of land requirement for landfills</li> </ul> <p><i>(Read more in our ESG section and Sustainability Review Report FY 2021-22)</i></p>		
 <p><b>Information Security Risks</b></p> <p>Any cybersecurity failure or breach can cause loss of critical data for the Company. The possibility of cyber-attacks and data breaches has increased in the new remote working environment. The Company is also exposed to the risk of business disruption and penalties in case of failure to adhere to IT regulations.</p>	<ul style="list-style-type: none"> <li>Hired expert agencies to periodically review the Company's IT security framework</li> <li>Ongoing investment to upgrade and strengthen system, if required, to mitigate newer threats &amp; risks</li> <li>Deployed ISO standards for Information Security Management</li> <li>Accredited with ISO 27001 certification</li> </ul>		



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Risk with high probability and high negative impact on financials

Risks	Mitigation	Risk Class	Key Capitals Impacted
 <p><b>Community Risks</b></p> <p>The local communities in the areas of our operations give us the licence to operate and the Company needs to maintain good relations with these communities to ensure business continuity.</p>	<ul style="list-style-type: none"> <li>• Maintain close links and engage actively with communities around all our mines and in the state</li> <li>• Focussed skill enhancement projects are helping local youth increase their employment prospects</li> <li>• Actively supporting community water requirements</li> <li>• Launching clean environment initiatives and protecting the biodiversity of the area</li> <li>• Providing healthcare support and educational empowerment</li> <li>• Building community infrastructure and assets</li> </ul> <p><i>(Read more in our ESG section on Page 102 and Sustainability Review Report FY 2021-22)</i></p>		
 <p><b>Safety Risks</b></p> <p>Failure to adhere to safety requirements at our sites and for our workforce, including external contractors, or non-compliance with safety laws and regulations can endanger our operations and our people.</p>	<ul style="list-style-type: none"> <li>• Sustainability framework aligned to globally accepted international practices, such as International Finance Corporation (IFC), International Council on Mining and Metals (ICMM) and the Organisation for Economic Co-operation and Development (OECD) standards</li> <li>• Stringent monitoring and continual upgradation as part of the safety culture</li> <li>• Transparent reporting of all incidents, along with root cause investigation and analysis to eliminate recurrence</li> <li>• Identify any potential hazards and incorporate analysis in all critical operations</li> <li>• Commitment to zero-harm culture, with continual efforts to boost safety of underground operations through technological initiatives and regular trainings</li> </ul> <p><i>(Read more on our Health &amp; Safety Initiatives on Page 160)</i></p> <p>Implementing recommendations from global experts to mitigate tailing dam risks, setting up more dry plants at mining locations</p> <p><i>(Read more on the Tailing Dam in our Sustainability Review Report FY 2021-22)</i></p>		





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Risk with high probability and high negative impact on financials

Risks	Mitigation	Risk Class	Key Capitals Impacted
 <p><b>Black Swan / Pandemic Risks</b></p> <p>Unexpected events can catch us unawares and our lack of preparedness for the same can disrupt our operations and hamper business continuity.</p>	<ul style="list-style-type: none"> <li>Preparation, review and implementation of a well-formulated business continuity plan to prepare for such events in the future</li> <li>Identification of critical processes, operations and functions, and key dependencies and other areas that could possibly affect operations</li> <li>Prepare for remote working and timely response to medical emergencies</li> <li>Strict adherence to WHO health safety protocols, government &amp; local regulations, awareness creation, effective vaccination programme, restricted travelling</li> </ul> <p><i>(Read more on COVID-19 initiatives on Pages 93, 136, 147, 163)</i></p>		
 <p><b>Commodity Risk</b></p> <p>Raw material shortages and volatility in prices can impact input costs. Commodity prices can be affected by geopolitical events, climate change events or black swan events like the pandemic.</p>	<ul style="list-style-type: none"> <li>Well-defined policy framework, which is regularly reviewed as it is integral to our business</li> <li>Decisions taken within this framework while reviewing national and international economic and geopolitical movement</li> <li>Robust hedging policy</li> <li>Indigenous sourcing of raw material and ensuring security of supply for continuity of operations</li> </ul> <p><i>(Read more on External Environment on Page 64)</i></p>		
 <p><b>Operational Risk</b></p> <p>Any disruption to our operations due to equipment breakdown, systems failure, external events can adversely affect our business.</p>	<ul style="list-style-type: none"> <li>Focussed productivity-improvement processes, new-age equipment, well-drafted drilling/exploration plans</li> <li>Continual innovation, investment in tools and technologies and working with right-fit business partners</li> <li>Active portfolio of tenements with preferential rights under MMDR Act, 2015 at different stages of approval</li> <li>Active participation in government mineral auctions</li> </ul> <p><i>(Read more on Mining and Operations Page 62 onwards)</i></p>		



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